

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 11157 01 OF 02 081659Z

53

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00

INRE-00 SP-03 AID-20 EB-11 NSC-07 RSC-01 CIEP-02

TRSE-00 SS-20 STR-08 OMB-01 CEA-02 PA-04 PRS-01

CIAE-00 COME-00 EA-11 FRB-02 INR-10 NEA-14 NSAE-00

OPIC-12 LAB-06 SIL-01 SWF-02 OIC-04 DRC-01 /183 W

----- 078358

O P 081637Z MAY 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 2609

INFO AMEMBASSY ROME PRIORITY

USMISSION EC BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 11157

E.O. 11652: N/A

TAGS: EGEN, OECD

SUBJECT: ITALIAN IMPORT DEPOSIT SCHEME: OECD HEADS DEL
DISCUSSION MAY 7

REFS: A) STATE 093065 B) STATE 90784 C) STATE 90223

D) USOECD 10825

1. SUMMARY. DOMINANT THEMES OF HEADS DEL DISCUSSION
MAY 7 OF ITALIAN IMPORT DEPOSIT SCHEME WERE A) WIDE
AGREEMENT AMONG KEY DELS (UK NOTABLY SILENT) THAT
CURRENT ACCOUNT STAND STILL DECLARATION MORE NECESSARY
AND IMPORTANT NOW THAN BEFORE ITALIAN MEASURES, B) RE-
AFFIRMATION BY RELATIVELY WEAK COUNTRIES THAT
STANDSTILL DECLARATION SHOULD INCLUDE ASSURANCES ON
AVAILABILITY OF FINANCING FOR THOSE HARDEST HIT BY OIL
PRICE RISE AND RELATED ECONOMIC DEVELOPMENTS, C) OECD
BODIES, (XCSS, EPC, WP-3, TC, INVISIBLES COMMITTEE AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 11157 01 OF 02 081659Z

EDRC) SHOULD CONSIDER ITALIAN MEASURES FROM STANDPOINT

OF THEIR SPECIAL COMPETANCE, D) GOI SHOULD INFORM OECD IN WRITING ASAP OF FULL DETAILS OF IMPORT DEPOSIT SCHEME AND RELATED MEASURES. HIGHLIGHTS OF DISCUSSION FOLLOW. END SUMMARY.

2. ITALIAN DEL (CONTI) OPENED DISCUSSION WITH BRIEF, BY NOW FAMILIAR, DESCRIPTION OF RECENT MEASURES AND INDICATED THAT A COMPREHENSIVE WRITTEN DESCRIPTION OF THEM WOULD BE SUBMITTED TO SEC GEN AS SOON AS FINAL DETAILS WERE WORKED OUT BY GOI. CONTI EMPHASIZED THAT TEMPORARY PROGRAM WAS DESIGNED TO CURTAIL DOMESTIC LIQUIDITY, WOULD HAVE MODEST IMPACT ON TRADE (4 REDUCTION ON IMPORTS ON ANNUAL BASIS WITH BOTH CAPITAL GOODS AND RAW MATERIALS EXCLUDED FROM COVERAGE), AND WAS IN FULL CONFORMITY WITH IMF STANDBY AND ADVICE RECEIVED FROM EC MONETARY COMMITTEE. IN CONCLUDING REMARK, CONTI SAID OECD MINISTERIAL MEETING OFFERS OPPORTUNITY FOR CONCERTED APPROACH TO RANGE OF DIFFICULT ECONOMIC PROBLEMS ESPECIALLY IN FINANCING FIELD.

3. SEC GEN VAN LENNEP URGED DELS TO ADDRESS ITALIAN MEASURES IN CONTEXT OF THREE BASIC CONSIDERATIONS: A) HOW THEY FIT INTO OECD PROGRAM ON BALANCE OF PAYMENTS AND ADJUSTMENT POLICIES IN LIGHT OF WORK BY EPC, WP-3, EDRC, TC, IC, AND NOTING RELEVANCE OF REY REPORT AND TC STUDY ON "TRADE MEASURES AND ADJUSTMENT OF BALANCE OF PAYMENTS", B) RELATIONSHIP OF MEASURES TO INTERIM CURRENT ACCOUNT STANDSTILL DECLARATION, AND C) DIMENSION OF INTERNATIONAL FINANCING PROBLEMS, PARTICULARLY IMPLICATIONS OF ITALIAN MEASURES AND FINANCING BOP DEFICITS. RE STANDSTILL DECLARATION, VAN LENNEP SAID XCSS MAY 10 SHOULD DETERMINE WHETHER ITALIAN MEASURES WERE TYPE THAT DECLARATION WAS DESIGNED TO PREVENTND EMPHASIZED THAT, IN ANY EVENT, THEY SHOULD NOT BE USED AS ARGUMENT BY OTHER COUNTRIES FOR TAKING SIMILAR MEASURES. VAN LENNEP EMPHASIZED PERSONAL VIEW THAT STANDSTILL DECLARATION NOW MORE NECESSARY THAN BEFORE AND SAID HE VIEWED ADEQUATE COOPERATION ON FINANCING PROBLEMS AS COUNTERPART TO IT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 11157 01 OF 02 081659Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 11157 02 OF 02 081657Z

53

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00

INRE-00 SP-03 AID-20 EB-11 NSC-07 RSC-01 CIEP-02

TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

EA-11 FRB-02 INR-10 NEA-14 NSAE-00 OPIC-12 LAB-06

SIL-01 SWF-02 PA-04 PRS-01 OIC-04 DRC-01 /183 W

----- 078359

O P 081637Z MAY 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 2610

INFO AMEMBASSY ROME PRIORITY

USMISSION EC BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 11157

4. MOST DELS WHO SPOKE ECHOED VAN LENNEP'S SENTIMENT THAT STANDSTILL DECLARATION MORE IMPORTANT NOW THAN BEFORE. FRG, US, JAPANESE, FRENCH (SEE PARA 7 BELOW), CANADIAN AND SWISS DELS WERE NOTABLY EMPHATIC ON THIS POINT. CANADIAN DEL MADE NO ALLUSION TO EXPORT CONTROL PROBLEM. BRITISH DEL DID NOT INTERVENE IN DISCUSSION. GREEK, DANISH, TURKISH DELS NOTED IMPORTANCE OF STANDSTILL DECLARATION BUT CITED ITALIAN MEASURES AS EVIDENCE OF NEED TO INCLUDE ADEQUATE ASSURANCES FOR FINANCING IN DECLARATION.

5. US DEL MADE STATEMENT ALONG LINES SUGGESTED REF A, EMPHASIZING THAT PROMPT AGREEMENT ON STANDSTILL DECLARATION SHOULD BE AMONG HIGHEST PRIORITIES OF ALL OECD MEMBER GOVERNMENTS. SWISS, AUSTRIAN AND JAPANESE DELS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 11157 02 OF 02 081657Z

REQUESTED COMPREHENSIVE NOTIFICATION OF MEASURES TO

FACILITATE EARLY CONSIDERATION OF THEM BY TC AND IC.
SECRETARIAT SAID THAT TC WOULD DOUBTLESS CONSIDER
ITALIAN MEASURES AT ITS JUNE 25-26 MEETING AND, IF
WRITTEN NOTIFICATION RECEIVED PROMPTLY, TCWP MIGHT HAVE
PRELIMINARY DISCUSSION OF MEASURES IN JUNE BEFORE TC
MEETING.

6. IN CONCLUDING REMARKS, VAN LENNEP SAID THAT ITALIAN
MEASURES WOULD OF COURSE BE CONSIDERED BY COMPETENT
OECD BODIES INCLUDING XCSS MAY 10 AT PROPER TIME. HE
SAID IT WOULD BE USEFUL FOR EDRC TO MAKE AN EARLY
ASSESSMENT OF THE GENERAL ECONOMIC IMPLICATIONS OF THE
MEASURES COUPLED WITH MORE DETAILED REVIEWS BY
SPECIALIZED COMMITTEES.

7. IN PRIVATE CONVERSATION TODAY WITH CHARGE, SECGEN
EXPRESSED APPREHENSION THAT FRENCH POSITION MAY BE
TURNING TO MUCH MORE RELUCTANCE ON DECLARATION AS
RESULT OF ITALIAN MEASURES.
BROWN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS, ECONOMIC CONTROLS, IMPORT CONTROLS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP11157
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740111-1063
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740565/aaaacfgy.tel
Line Count: 189
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 093065 B) STATE 90784 C) ST, ATE 90223
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by boyleja>; APPROVED <11 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITALIAN IMPORT DEPOSIT SCHEME: OECD HEADS DEL DISCUSSION MAY 7
TAGS: EGEN, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005